

Central Intelligence Agency



Washington, D.C. 20505

12 JUN 1981

The Honorable David A. Stockman
Director, Office of Management and Budget
Washington, D.C. 20301

Dear Dave:

I have reviewed NOAA's recommended pricing for LANDSAT products as reflected in the 1 June memorandum to you from the Secretary of Commerce.

As you know, the Intelligence Community is a major user of LANDSAT, applying it to a number of resource questions, [redacted]
[redacted] Specifically, the LANDSAT system provides the timely, large-area, multispectral data necessary [redacted]
[redacted]

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I believe it is in the national interest to continue the LANDSAT program, whether operated by the government or by the private sector. LANDSAT clearly provides data of intelligence import, and the program exemplifies the US leadership role in remote sensing technology. Without LANDSAT, the US advantage in the development of this technology and its application to economic resource problems will rapidly erode in the face of competition, particularly from the French and the Japanese.

With management of LANDSAT by the private sector, questions arise regarding priority access to data, but resolution of such problems is feasible. I am uneasy, however, regarding the proposed manner in which funding for LANDSAT data will be handled during and after transfer to the private sector. Some of the assumptions underlying the proposed NOAA pricing schedule may prove to be invalid, with an attendant rapid escalation in costs. Specifically:

- The assumption that purchases from non-Federal users will account for half of the total costs--particularly at the price levels under consideration--is recognized by major Federal and private users alike to be at best highly optimistic. Should non-Federal purchases fall short of the budgeted amount, these costs would presumably be passed on to other system users in current or future years.
- Should Federal users reduce their level of participation from that outlined in the NOAA plan--or eliminate their purchases entirely--costs to the remaining users could be prohibitive.

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Thus the failure to acquire adequate participation of both non-Federal and Federal users would substantially raise the remaining Federal participants' share of the costs. To maintain the integrity of our budgetary cycle, I believe it necessary that OMB guarantee that CIA involvement--and presumably the involvement of other Federal users--be limited to the NOAA projections.

Further, because of the aforementioned use of LANDSAT products by the Intelligence Community, I would like OMB to ensure that our interests continue to be considered in any pending deliberations regarding the future of LANDSAT systems.

Sincerely,

A handwritten signature in black ink, appearing to be 'WJ Casey', written over the printed name.

William J. Casey